to this demand ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY) : (a) and (b) At present, cotton and man-made fabrics (both grey as well as processed) falling under chapter 52, 54 and 55 of the Schedule to the Central Excise Tariff Act, 1985, are fully exempted from basic excise duty. However, additional excise duty in lieu of sales tax is levied on processed fabrics under the Additional Duty of Excise (Goods of Special Importance) Act, 1957, the proceeds of which are entirely distributed to the State Govts. The request for extending Modvat to fabric stage has been made by the Industry. However, for the present, it has not been found feasible to accede to such requests. Extension of Modvat to fabrics would mean bringing under excise control about 13 lakhs powerlooms which are mostly in the decentralised sector and run in household which is likely to cause administrative difficulties.

12.00 NOON

[The Deputy Chairman IN THE CHAIR]

PAPERS LAID ON THE TABLE

(I) Notification of Ministry of Finance (Department of Revenue)

(II) Notification of Allahabad Bank, Calcutta

(III) Notification of Ministry of Finance (Department of Revenue)

MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI M.V. CHANDRASEKHAR MURTHY : Madam I lay on the Table—

I. (a) A copy each (in English and Hindi) of the following Notifications of the Ministry of Finance (Department of Revenue), under section 159 of the Customs Act, 1962, Alongwith Explanatory Memoranda on the Notifications:—

(i) GSR NO. 294(E), dated the 3rd March, 1994, amending notification No. 208/77—Customs, dated 1st October, 1977 so as to include Bhutan for giving duty drawback facility on exports of goods to Bhutan. [Placed in Library. *See* No. Lt-5668/94]

(ii) GSR No. 312(E), dated the 11th March, 1994, seeking to impose antidumping duty on Bisphenol—A originating from Japan. [Placed in Library. *See* No. Lt-5625/94]

(iii) GSR No. 362 (E), dated the 4th April, 1994, amending notification no. 122/93 Customs, dated the 14th May, 1993 so as to specify the list of capital equipments allowed for import by Hotels and Restaurants under Export Promotion Capital Goods (E.P.C.G.) Scheme. [Placed in Library. *See* No. Lt-5762/94]

(iv) GSR No. 321(E), dated the 18th March, 1994, amending various notifications with a view to permit import of Acetic Anhydride under Duty Exemption Scheme with actual user condition, without allowing facility for sale or transfer of the said material.[Placed in Library. *See* No. Lt-5668/94]

(v) S.O. No. 259(E), dated the 28th March, 1994 laying down the rates of exchange for conversion of certain foreign currencies into Indian currency or *vice-versa* for the purposes of assessment of imports.

(vi) S.O. No. 260(E), dated the 28th March, 1994, laying down the rates of exchange for conversion of certain foreign currencies into Indian currency or *vice-versa* for the purposes of assessment of exports.

(vii) GSR No. 387(E), dated the 15th April, 1994, seeking amendments to the Duty Exemption Scheme for hundred percent export oriented undertakings so as to provide for levy of duty on imported capital goods cleared in the Domestic Tariff Area in accordance with the EXIM policy at the rate prevalent at the time of such clerance instead of the rate at the time of their import.

(viii) GSR No. 388(E), dated the 15th April, 1994, regarding amendments to the Duty Exemption Scheme for units set up in the Export Processing-Zones so as to provide for levy of duty on imported capital goods cleared in the Domestic Tariff Area in accordance with the EXIM Policy at the rate prevalent at the time of such clearance instead of the rate at the time of their import. [Placed in Library. *See* No. LT-5762/94]

(b) A copy (in English and Hindi) of the Ministry of Finance (Department of Revenue) Notification S.O. No. 279(E), dated the 31st March, 1994 publishing the Income-tax (First Amendment) Rules, 1994, under section 296 of the Income-tax Act, 1961 [Placed in Library. *See* No. LT-5763/94]

II. A copy each (in English and Hindi) of the following Notifications of the Allahabad Bank, Calcutta :—

(i) Notification No. HO/Legal/333/1137, dated the 8th May, 1993 publishing the Allahabad Bank Officer Employees' (Conduct) (Amendment) Regulations, 1992, under section 19(4) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.

(ii) Notification No. HO/Legal/0814, dated the 13th November, 1993 publishing the corrigendum to the Notification No. HO/Legal/333/1137, dated the 8th May, 1993. [Placed in Library. *See* No. LT-5764/94]

III. A copy each (in English and Hindi) of the following Notifications of the Ministry of Finance (Department of Revenue), alongwith Explanatory Memoranda on the Notifications :—

(i) G.S.R. No. 118(E), dated the 28th February, 1994, publishing the corrigendum to the Notification G.S.R. No. 607(E), dated the 13th September, 1993.

(ii) G.S.R. No. 291(E), dated the 2nd March, 1994, publishing the corrigendum to the Notification G.S.R. No. 785(E), dated the 27th December, 1993. [Placed in Library. *See* No. LT-5668/94]

DISCUSSION ON THE WORKING OF THE MINISTRY OF DEFENCE—*Contd.*

उपसभापति : आप इंटरवीन करेंगे ?

रक्षा मंत्रालय में राज्यमंत्री (श्री मल्लिकार्जुन) : अगर आप परमिशन दें तो।

उपसभापति : ठीक है, आप इंटरवीन करिये फिर प्रधान मंत्री जी।

SHRI MALLIKARJUN : Madam Deputy Chairman, I am extremely thankful to all the hon. Members—14 hon. Members have participated in the debate—for their valuable suggestions and constructive approach, so far as the defence matters are concerned. All of them have referred to some common points of a vital nature and to the immediate pressing needs.

The first point referred to by them was the Budget. It was the contention of the hon. Members that the budgetary allocation was inadequate to meet the requirements of Defence, from the point of view of defence preparedness. Of course, with the resource crunch, whatever maximum could be made available, has been made available. The provision in the Budget Estimates is Rs. 23,000 crores. Last year, it was Rs. 19,180 crores. In the Revised Estimates, the figure went up to Rs. 21,960 crores. Therefore, comparatively, it is not very much higher. However, with whatever resources available at our disposal, we have to meet the needs.

Madam, we have taken certain steps to save some money through control over wasteful expenditure, better utilisation of the assets and inventory control and also by generating some resource. Normally, in Defence, we hardly generate any resource. But we have appointed a Committee, known as the Special Surplus Stores Disposal Committee, to dispose of obsolete stores which are lying. During the recent period, this Committee was able to secure Rs. 106 crores.

Apart from this, one of the major areas is fuel consumption. As you know, we have got a vast transport system. Therefore, the concentration is on the saving of fuel. Attempts are being made. Through these attempts, we will be able to save some money. Apart from that, in our training system itself we have now adopted training through simulators. As a result of that, a lot of wastage of ammunition, wear and tear of vehicles are being reduced, so much so that within a short period of two years we were able to reduce to the tune of Rs. 1,000 crores so far as this comparative expenditure is concerned.

SHRI G. SWAMINATHAN (Tamil Nadu) : Madam, I stand on a point of order. The point is, we have all been waiting for the Prime Minister to reply to the discussion. That point has been discussed and we were told the Prime Minister will come later on. Now we find that the hon. Minister is intervening. I don't know whether the Prime Minister will reply, because